

Keeping America Competitive

Today, U.S. exporters face a brutally competitive global marketplace, often against competitors that are heavily supported by their governments. America needs Ex-Im Bank to level the playing field.

At the same time, the “Made in the USA” brand has never been stronger, thanks superior technology, craftsmanship and overall quality. But often American exporters face challenges beyond competing on quality or price.

In the wake of an uneven global recovery from the financial crisis, many countries are doing whatever it takes to promote their chosen “national champions.”

Foreign enterprises that compete with U.S. exporters may be government-owned, government-protected, government-subsidized, government-sponsored or all of the above. These competitors frequently have access to financing not available to U.S. exporters.

Approximately 60 export-credit agencies (ECAs) currently operate worldwide. All are working to win sales and create jobs for their nations. U.S. exporters compete in many markets and sectors designated by other countries as in their “national interest.” Many other ECAs operate with considerably more leeway in supporting their exporters.

We at Ex-Im Bank work every day to provide financing to support America’s exporters and their workers – and keep them in the game. Ex-Im Bank has long been one of the most reliable and cost-effective sources for long-term-financing of U.S. exports. Without us, many American companies would be missing opportunities to sell to the 95 percent of the world’s customers who live overseas.

In order to keep American businesses competitive, we need to evolve and innovate. We are achieving results.

FY 2013 AWARDS FOR EXCELLENCE IN EXPORT FINANCE

“World’s Best Export-Credit Agency”
Trade and Forfaiting Review

“Best Global Export-Credit Agency”
(for the second time) and

“Best ECA in the Americas” (for the fourth consecutive time) Trade Finance magazine

“Deals of the Year” (four awards, e.g., capital-markets financing for Delta TechOps)
Airfinance Journal

“Most Innovative Business-Jet Financier 2013”
Corporate Jet Investor Web site

Ex-Im Bank and the ECAs of countries that belong to the Organization for Economic Cooperation and Development (OECD) operate in compliance with an OECD agreement known as the “Arrangement on Officially Supported Export Credits.”

ECAs of non-OECD countries, such as China, Russia and Brazil, operate by a different set of rules. Their exporters are accustomed to advantages not available to exporters from OECD countries, such as borrow-now-buy-later drives (financing now for benefits later) and other forms

GUARANTEEING CAPITAL-MARKETS BOND TO FINANCE EXPORTS OF U.S.-MADE HELICOPTERS



In FY 2013, Ex-Im Bank provided a \$187.4 million guarantee of a capital-markets bond to finance the export of Sikorsky S-92® helicopters to The Milestone Aviation Group Ltd. of Dublin, Ireland. The transaction is Ex-Im Bank's largest financing of U.S.-manufactured commercial helicopter exports and first to a helicopter-leasing company. It is also Ex-Im's first use of the capital markets to fund helicopter exports.

Sikorsky Aircraft Corp. has a U.S.-based workforce of approximately 13,000 employees. The capital-markets transaction is supporting 1,000 jobs at Sikorsky and its subcontractors.

"Ex-Im's capital-markets financing facilitates this large capital investment and makes the Sikorsky S-92® an even better fit for our customers."

Bob Kokorda, vice president, Worldwide Sales, Sikorsky Aircraft Corp.

Exporter:

**Sikorsky Aircraft Corp.,
Stratford, Connecticut**

Market: Ireland

Ex-Im Bank Product:

Capital-Markets Bond
Guarantee

Jobs Supported: 1,000

of untied export credit. Such practices disadvantage American exporters and distort export finance.

Our mission is fundamentally different. We are first and foremost focused on jobs. And we don't pick winners and losers; we help private entrepreneurs to compete in the global marketplace. Many other ECAs, however, lend on a national-benefit basis, not on a content-requirement one, thereby promoting "national champions."

Ex-Im Bank is continually working to refine our approach to meet the challenges that our customers – America's exporters – face. We have expanded sources of funding through co-financing and guaranteed bonds issued in the capital markets. We have also filled liquidity gaps with direct lending.

We have joined with other ECAs and increased co-financing of transactions. For example, in FY 2013, the Bank co-financed with Japan's Nippon Export and Investment Insurance (NEXI) a total of 35 wide-body aircraft aggregating over \$4 billion in aircraft financings for 14 different airlines and leasing companies in Africa, Latin America, Europe, the Middle East, Russia and other regions.

Ex-Im Bank-guaranteed bonds issued in the capital markets have been very successful in funding commercial aircraft exports. This financing is being applied to other aviation exports as well. For the first time in FY 2013, Ex-Im Bank guaranteed a capital-markets bond to support the export of U.S.-manufactured helicopters. (See featured story.)

In FY 2012 and FY 2013, Ex-Im Bank-guaranteed bonds also financed the export of engine overhaul services by Delta Airlines' maintenance operations, Delta TechOps. (See featured story in "Key Sectors.") Capital-markets funding has also been used to finance U.S. exports to Mexico's national oil-and-gas company, Pemex.

As commercial banks continue their transition from a funding role to one of arranging, particularly on large projects, Ex-Im Bank has offered direct loans when warranted or requested by applicants. As with all of Ex-Im's products, our direct lending aims to fill the gap between the export-financing needs of our exporters and the availability of funds from commercial lenders.